

When is the Best Time to Buy an Indiana Partnership Long Term Care Insurance Policy?

The chart below compares the premiums for an Indiana Partnership policy, based on one's age at purchase, which will be paid until the person reaches age 85. The chart also shows the total value of partnership insurance benefits that will be available at age 85. It is assumed premiums are paid annually until long term care services are needed at age 85. *The chart illustrates the best time to begin planning for long term care is prior to one's 65th birthday.* This is due to the combined effect of lower annual premiums that remain level, and benefits which increase by 5% compounded annually. In Indiana Partnership policies, both the daily benefit and the maximum benefit increase annually by 5% compounded. Additionally, it is important that a long term care insurance policy be purchased while the individual is still healthy enough to qualify for coverage.

Total Premiums Paid* and the Value of Benefits at Age 85 For a Dollar for Dollar Asset Protection Policy

Age at Purchase	Age 45	Age 55	Age 60	Age 65	Age 70	Age 75
Annual Premiums	\$556	\$765	\$989	\$1,410	\$2,237	\$3,575
Total Premiums Paid to Age 85	\$22,240	\$22,950	\$24,725	\$28,200	\$33,555	\$35,750
Value of Benefits at Age 85	\$513,919	\$315,502	\$247,204	\$193,691	\$151,762	\$118,909

* Premiums can increase in the future, but only with approval from the Indiana Department of Insurance, and only on a class basis.

The policy in the above example is an Indiana Partnership comprehensive policy (covers nursing home care, assisted living and home and community based care) providing an initial maximum benefit of approximately \$75,000. The daily nursing home benefit is \$100 per day with a home/community care benefit of \$100 per day. The policy has an elimination period of 45 to 60 days. At \$100 per day, the policy would pay benefits for approximately 21 months in a nursing home. In Indiana, the average cost of nursing home care in 2003, is approximately \$44,165 per year (\$121 per day).

The above example is for illustration purposes only and is based on an average of representative insurance policies available. The actual premiums for a specific individual may be higher or lower depending on the specific benefits contained in the policy, the age at purchase, the elimination period, the underwriting standards, and the insurance company from which the policy is purchased.